

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**RAYMOND ZONG,**  
**Plaintiff,**  
  
**v.**  
  
**MERRILL LYNCH, PIERCE, FENNER &**  
**SMITH INCORPORATED,**  
**Defendant.**

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**CIVIL ACTION**  
**No. 2:13-cv-03256-JLS**

**MERRILL LYNCH'S SUPPLEMENTAL MEMORANDUM OF LAW  
IN SUPPORT OF ITS MOTION TO ENFORCE SETTLEMENT**

Pursuant to the Court’s request during the July 1, 2014 Hearing, Merrill Lynch submits the instant *Supplemental Memorandum of Law* to provide the Court with precedent concerning applicable law to the parties’ binding settlement agreement.

In the Third Circuit, the law is clear: “[t]he validity and enforceability of settlement agreements is governed by state contract law.” Shell's Disposal & Recycling, Inc. v. City of Lancaster, 504 F. App'x 194, 200 (3d Cir. 2012). See also Mazzella v. Koken, 739 A.2d 531, 536 (Pa. 1999) (holding that the enforceability of settlement agreements is governed by principles of contract law). The Court should apply the law of the state where all the transactions leading up to the litigation occurred. Shell's Disposal & Recycling, Inc., 504 F. App'x at 200 n. 10.

Here, all of the activities leading up to the parties' binding settlement agreement occurred in Pennsylvania. Therefore, Pennsylvania law applies to the settlement agreement.<sup>1</sup>

Accordingly, for all of the reasons set forth herein, and for the reasons set forth in Merrill

<sup>1</sup> Notably, Merrill Lynch's proposed settlement agreement also contained a provision noting that Pennsylvania law applied to the settlement.

Lynch's *Motion to Enforce Settlement*, Merrill Lynch respectfully requests that the Court grant its *Motion*.

Dated: July 3, 2014

Respectfully submitted,

/s/ Karen P. Gaster

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Attorneys for Defendant

**CERTIFICATE OF SERVICE**

I, Karen P. Gaster, Esquire, hereby certify that a true and correct copy of the foregoing *Supplemental Memorandum of Law* was served via electronic mail and First Class Mail as follows:

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*Pro Se Plaintiff*

Dated: July 3, 2014

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/s/ Karen P. Gaster  
Karen P. Gaster, Esq.